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2010 Annual results presentation

Real Mining. Real People. Real Difference.

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PERFORMANCE OVERVIEW

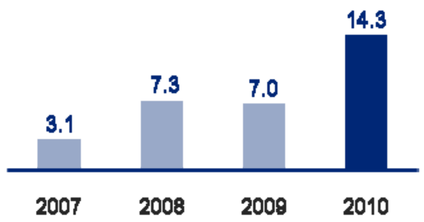
Real Mining. Real People. Real Difference.

HIGHLIGHTS

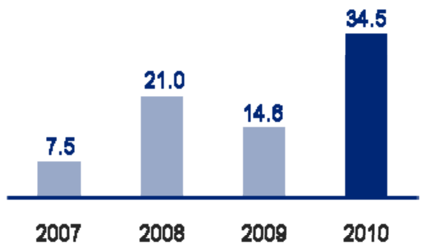
Substantial returns to shareholders

- Headline earnings of R14.3 billion, up 106%; R44.67 per share
- Final cash dividend of R6.8 billion declared, R21.00 per share
- Production growth of 5% at Sishen Mine to 41.3Mt
- Export sales volumes of 36.1Mt, 6% increase year on year
- 92% increase in export prices
- Kolomela Mine development remains on track and on budget
- SIOC Community Development Trust fully redeemed its funding and now owns an unencumbered 3% of SIOC

Headline earnings (R billion)



Dividend (R/share)



Export sales volumes (Mt)

SAFETY

Commitment to achieving zero harm remains

- **Continued focus on safety**

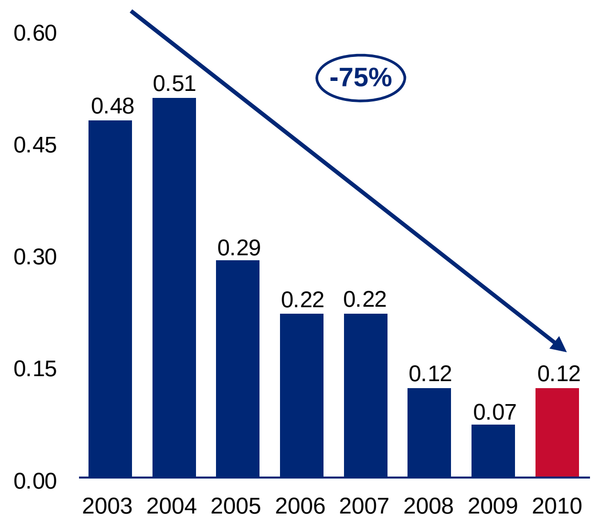
- **3 fatalities**
  – Mr Moses Machacha fatally injured on 23 February 2010
  – Mr Fanie Ramalapi fatally injured on 24 July 2010
  – Mr Koos Mashango fatally injured on 1 November 2010

- **LTIFR declines 71% to 0.12 from 0.07 in 2009**

- **2010 achievements:**
  – Sishen Mine: > 3.3 million LTI-free man hours
  – Kolomela Project: 8.6 million LTI-free man hours
  – Kolomela Mine: 1 calendar year LTI free

- **Initiatives taken to improve safety:**
  – Safety improvement plans revisited
  – Additional resource allocation
  – Revised assurance with a focus on high risk areas

Significant reduction in LTIFR



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OPERATIONAL REVIEW

Real Mining. Real People. Real Difference.

SISHEN MINE

5% production growth

- Sishen Mine production increased to 41.3Mt, up 5%
- DMS plant production of 28.0Mt
- Jig plant production reached13.3Mt, 28% increase year on year
- Increase of 24% in waste mined; stripping ratio increased to 1.99

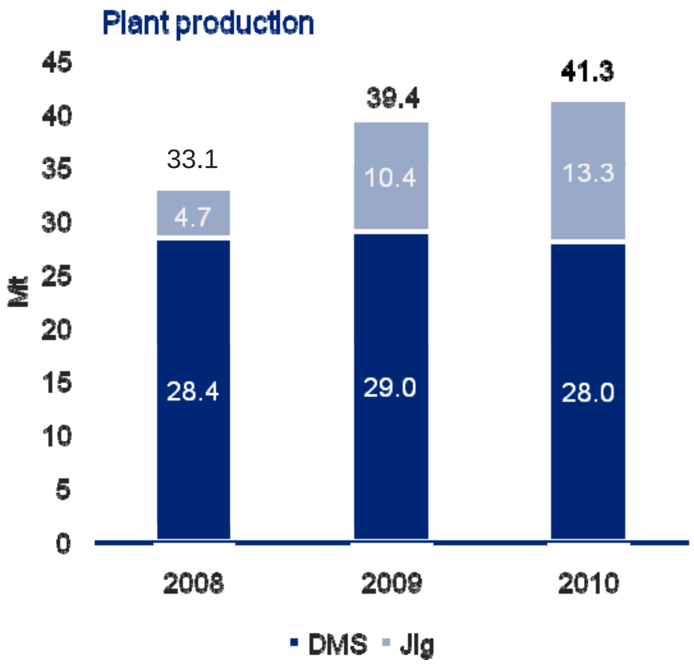
(Mt)	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Total tonnes mined	153.2	128.3	19%	81.1	72.1	12%
Waste mined	102.0	82.1	24%	55.9	46.1	21%
ROM production	51.2	46.2	11%	25.2	26.0	(3%)
Final product	41.3	39.4	5%	20.2	21.1	(4%)
– DMS	28.0	29.0	(3%)	13.3	14.7	(10%)
– Jig	13.3	10.4	28%	6.9	6.4	8%
Stripping ratio	1.99	1.78		2.22	1.77	
Jig as a % of final product	32%	26%		34%	30%	
Finished product inventory (closing)	4.7	3.6	31%	4.7	4.9	(4%)

SISHEN MINE PLANT PRODUCTION

Jig plant ramp up now complete

- DMS plant
  - Production decreased by 3% to 28.0Mt
  - Failure of single line equipment
  - Availability of feedstock from the pit

- Jig plant
  - Jig plant ramp up now complete
  - Jig plant production up by 28% to 13.3Mt; above name plate capacity




DMS plant


Jig plant

OPERATIONAL REVIEW

Sishen Mine: Logistics and sales

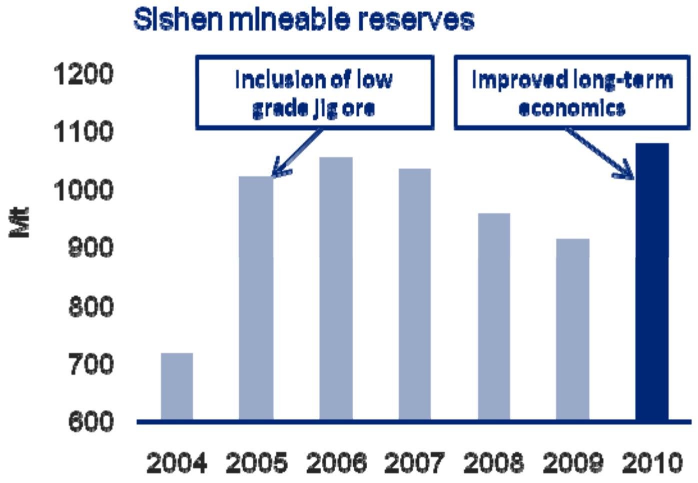
- Tonnes railed to port up 5% to 36.5Mt
- Total sales increased 8% to 41.1Mt
- Export sales volumes 6% up to 36.1Mt – volumes to China at 61% of total export sales
- Domestic sales volumes of 5.0Mt – increased demand from AMSA
- Transnet impacted by industrial action in 2Q10 and derailments in 3Q10, increasing stocks at Sishen Mine
- Transnet had an excellent operating performance in 4Q10

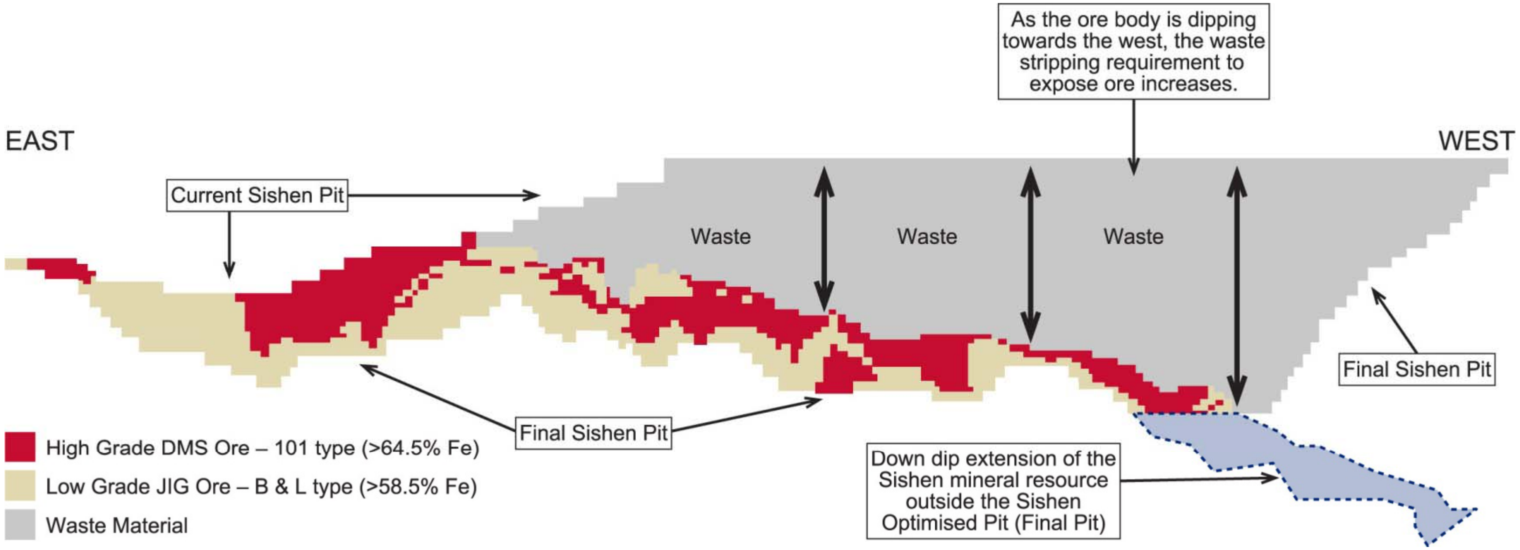
(Mt)	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Production	41.3	39.4	5%	20.2	21.1	(4%)
Railed to port (including Saldanha Steel)	36.5	34.6	5%	18.3	18.2	1%
Railed inland	3.9	3.1	26%	2.2	1.7	29%
Total sales	41.1	38.2	8%	20.1	21.0	(4%)
– Export	36.1	34.2	6%	17.3	18.8	(8%)
– Domestic	5.0	4.0	25%	2.8	2.2	27%
Finished product inventory at ports (closing)	2.1	2.9	(28%)	2.1	1.7	24%
– Saldanha	0.9	2.3	(61%)	0.9	0.8	13%
– Qingdao	1.2	0.6	100%	1.2	0.9	33%

SISHEN MINE

LOM and stripping ratio guidance

- LOM plan optimises returns to shareholders within marketing and resource constraints
- Waste stripping level ensures that enough flexibility is created to capture market opportunities and sustain operations in a downturn
- Through continued optimisation, mineral reserves at Sishen Mine have grown 360Mt since 2004 despite depletion of 273Mt ROM
- Stripping ratio increases towards 3 over the next 3 to 4 years
- Average stripping ratio of 3.5 over the LOM





THABAZIMBI MINE

LOM remains 2016

- Production down 19% to 2Mt, as mine nears end of life and planning is reduced accordingly
- Sales increased 14% to 2Mt
- Increase in stripping ratio to 16.6
- LOM remains as 2016: Project Phoenix will replace production from Thabazimbi Mine
- Minimal contribution to Kumba's profit

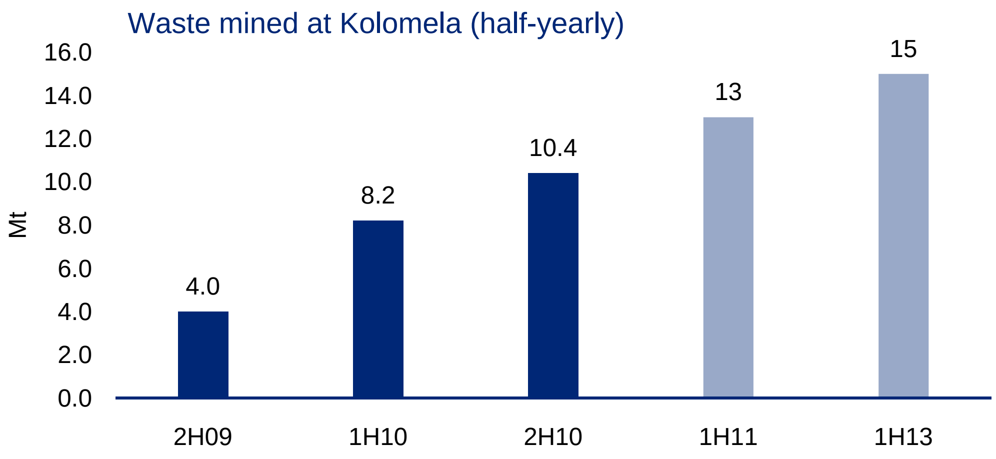
(Mt)	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Total tonnes mined	35.2	19.5	80%	20.2	15.0	35%
Waste mined	33.2	16.5	102%	19.1	14.1	36%
ROM production	2.0	3.1	(35%)	1.1	0.9	22%
Production	2.0	2.5	(19%)	1.2	0.8	50%
Sales – domestic	2.0	1.8	14%	1.1	0.9	22%
Stripping ratio	16.6	5.3		17.4	15.7	
Finished product inventory (AMSA)	1.2	1.2	–	1.2	1.1	9%

KOLOMELA MINE

On track and on budget

- Waste mined 27% increase from 1H10 to 18.6Mt for full year
- R37 million invested in communities in 2010
- 555 full time employees

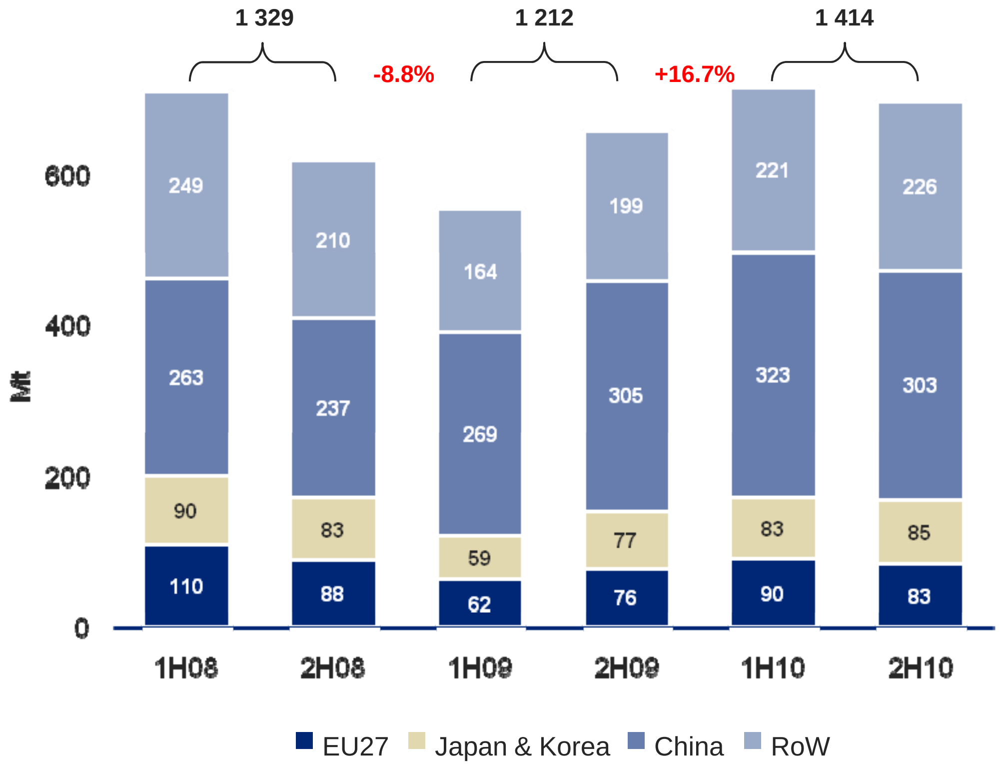
(Mt)	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Total tonnes mined	18.6	4.0	365%	10.4	8.2	27%
Waste mined	18.6	4.0	365%	10.4	8.2	27%
ROM production	–	–	–	–	–	–
Production	–	–	–	–	–	–
Stripping ratio	–	–	–	–	–	–



SALES AND MARKETING

Global crude steel production up 17%

- World crude steel production increased 17% year on year to 1.4 billion tonnes
- Traditional markets
  - 24% increase in Kumba's traditional markets (EU27, Japan, Korea)
- China
  - 9% year on year increase to 626Mt
  - Production slowed down in 2H10 due to government intervention and power curbs
- Rest of world ('RoW') increased 23% year on year



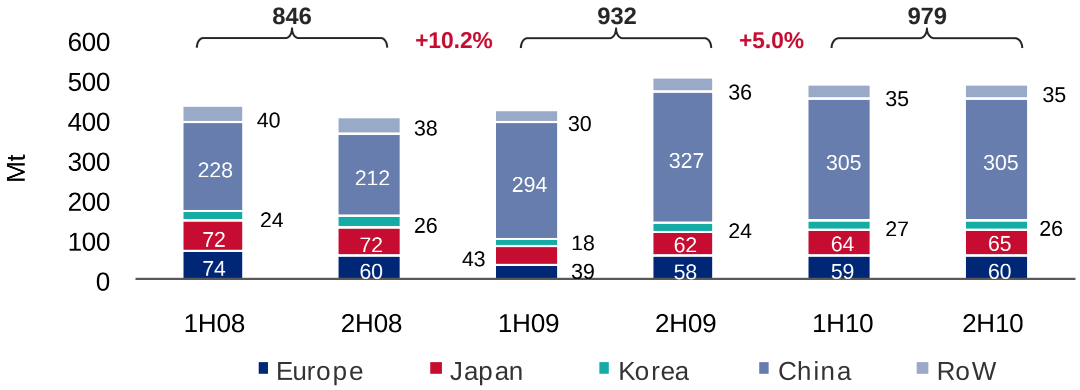
Source: WSA, Kumba Iron Ore

SALES AND MARKETING

Global and Chinese iron ore demand

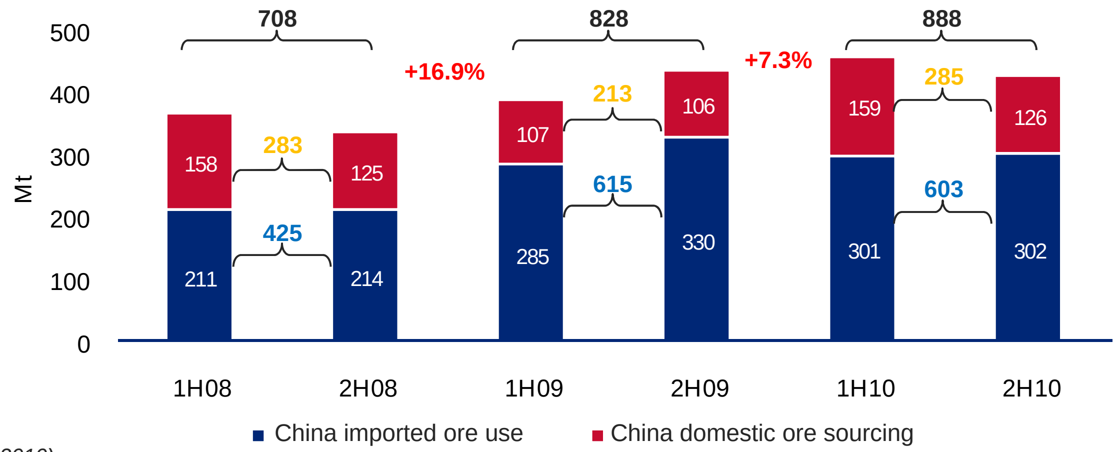
- Global seaborne iron ore demand increased by 5% to 979Mt
  - 24% increase in Kumba's traditional markets (EU27, Japan, Korea)
  - 2% decrease in China (to 610Mt*)

Global seaborne iron ore demand



- China's domestic iron ore use up by 34% to 285Mt, incentivised by higher prices
- China's domestic ore use reached 318Mt annualised in 1H10 (same as in 1H08) but fell in 2H10 due to power restrictions

Chinese iron ore imports versus implied use of domestic ore**



Seaborne China excludes Mongolia and Kazakhstan (9Mt in 2010)
*** Imports and domestic ore use converted to 62% Fe basis*
Source: WSA, GTIS, CNBS, EUROSTAT, Kumba Iron Ore

SALES AND MARKETING

Kumba's export sales mix and prices

- Index sales percentage in 2010 significantly above Kumba's historic 10% – 15% range due to growth in overall export sales
- 39% of index volumes during 2H10 supplied to long-term and annual customers in China (over and above contractual volumes)
- Significant gap between realised quarterly benchmark prices and index prices in 1H10
- Realised quarterly benchmark prices approximately similar to realised index prices in 2H10
- China represented 61% of Kumba's 2010 export volumes vs 75% in 2009

Export sales and prices

	1H10	2H10	Total
Total export sales (Mt)	18.8	17.3	36.1
Quarterly benchmark (%)	72	61	67
Index (%)	28	39	33
Average price received (US$/tonne)	109	144	125

Export sales geographical split

%	2008	2009	2010
Europe and MENA	31	11	17
Japan and Korea	26	14	22
China	43	75	61
Total	100	100	100

Source: Kumba Iron Ore

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FINANCIAL REVIEW

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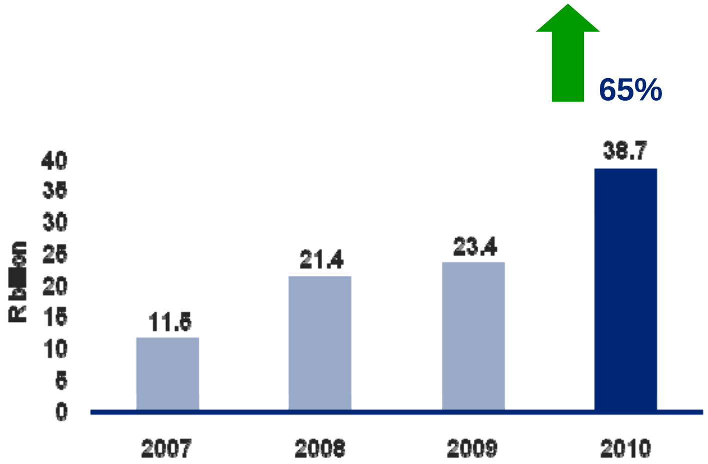
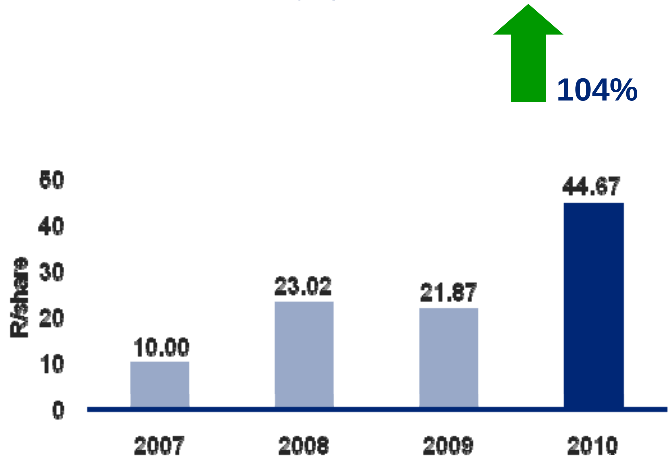
FINANCIAL REVIEW

Financial overview: Record financial performance

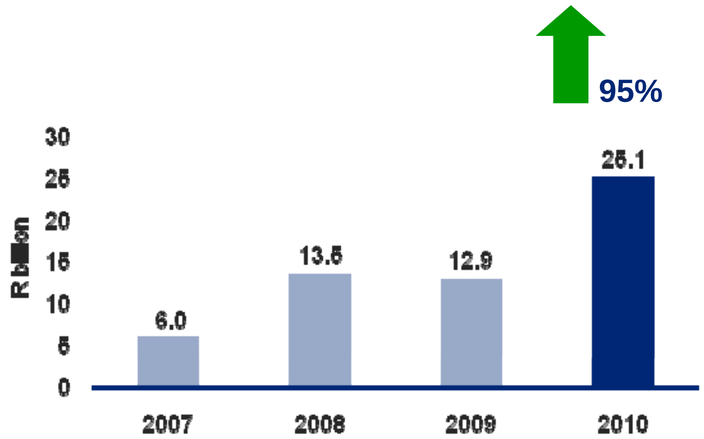
Revenue



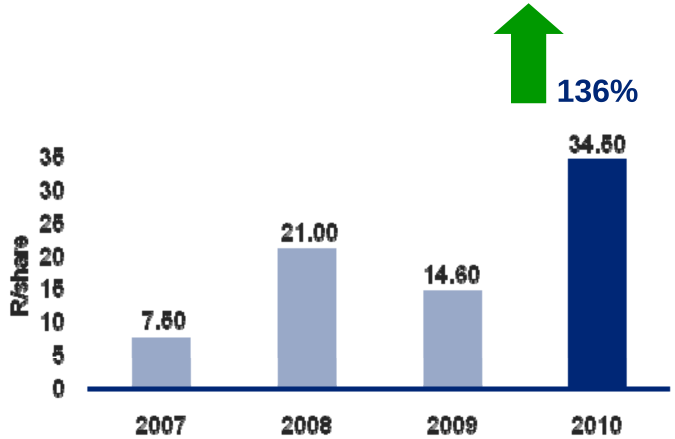
Headline earnings per share



Operating profit



Dividend per share



FINANCIAL REVIEW

Financial overview: Headline earnings more than doubles

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009 #	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Revenue	38 704	23 408	65%	20 878	17 826	17%
Operating expenses	(13 573)	(10 528)	29%	(6 954)	(6 619)	5%
– Operating expenses (excl. royalty)	(12 163)	(10 528)	16%	(6 090)	(6 073)	–
– Mining royalty	(1 410)	–	–	(864)	(546)	58%
Operating profit	25 131	12 880	95%	13 924	11 207	24%
Operating margin (%)	65%	55%	–	67%	63%	–
Profit attributable to:	18 289	8 804	108%	10 131	8 138	24%
– Equity holders of Kumba	14 323	6 992	105%	7 815	6 488	20%
– Non-controlling interest *	3 966	1 812	119%	2 316	1 650	40%
Headline earnings	14 329	6 972	106%	7 879	6 450	22%
Effective tax rate (%) **	24%	24%	–	23%	24%	–
Cash generated from operations	25 555	12 744	101%	15 897	9 658	65%
Capital expenditure	4 723	3 996	18%	3 266	1 457	124%

** Increase in 2010 includes R232 million due to the deconsolidation of the SIOC Community Development SPV (Proprietary) Limited (Refer to Annexure 8)*

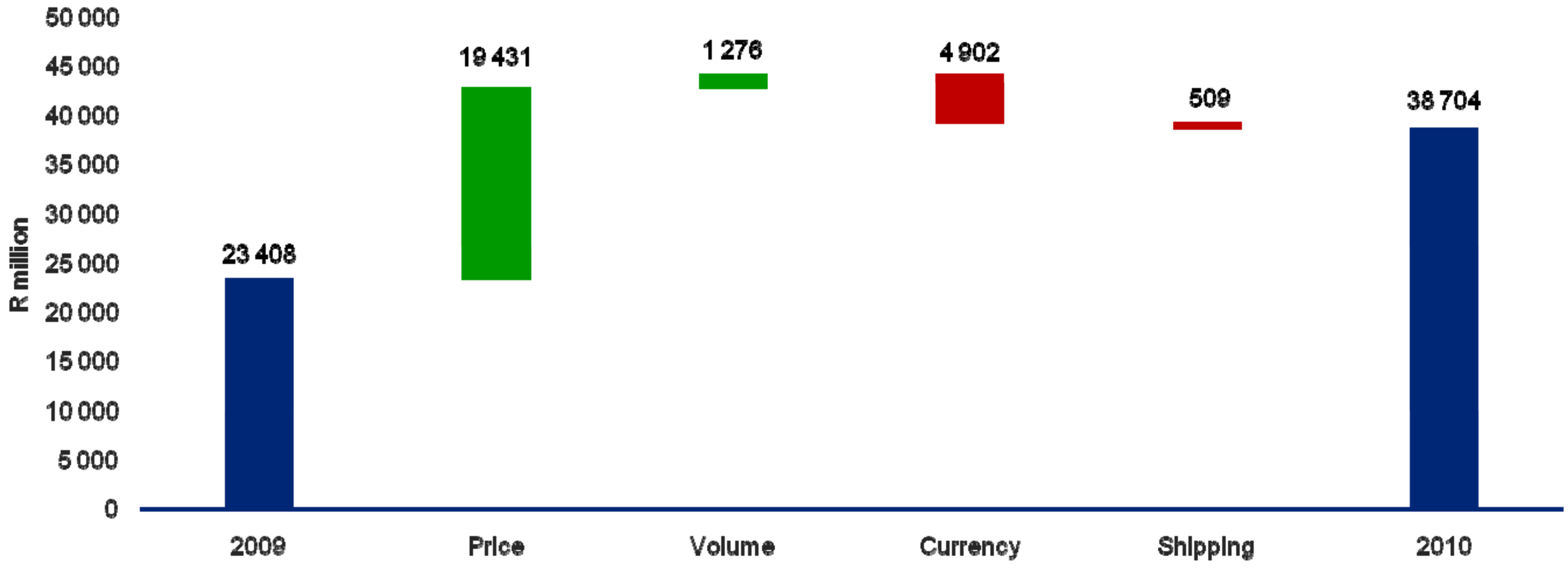
*** Excluding Secondary Taxation on Companies (STC) and the mining royalty*

 # Comparative figures have been restated due to the change in accounting policy on share-based payments and the amendment to IAS 7

FINANCIAL REVIEW

Revenue variance: Market fundamentals remain structurally tight

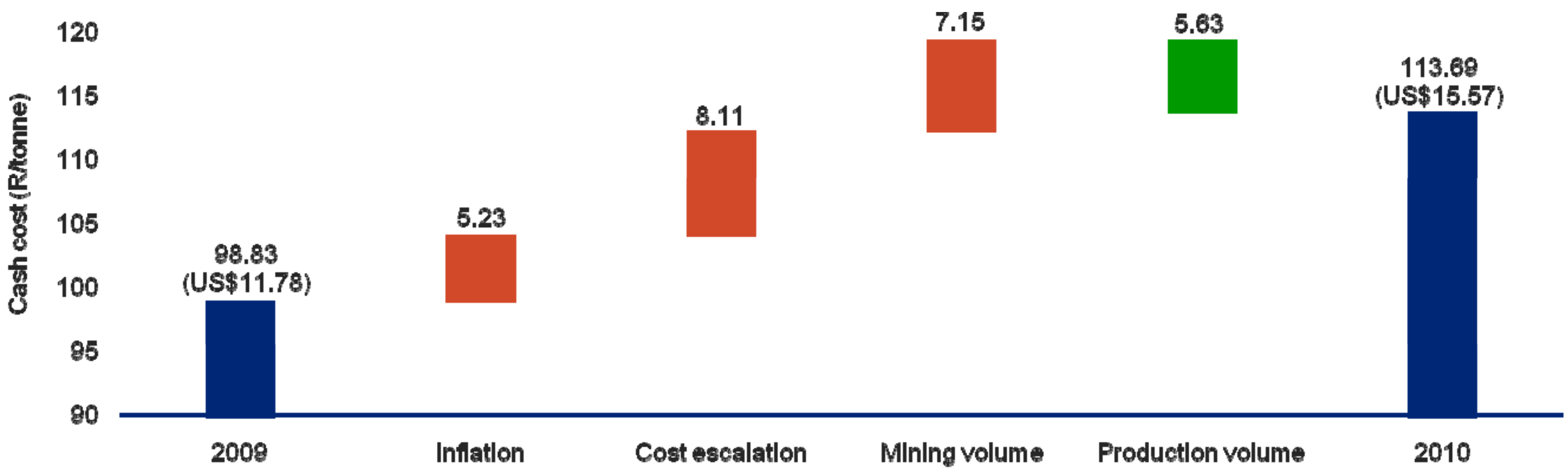
- Revenue up 65% to R38.7 billion
- Driven by weighted average increase of 92% in export prices
- 6% increase in export sales volumes to 36.1Mt
- Offset by strengthening of Rand/US Dollar exchange rate from R8.39/US$1.00 to R7.30/US$1.00



FINANCIAL REVIEW

Sishen Mine unit cash costs: Tight cost control in line with guidance

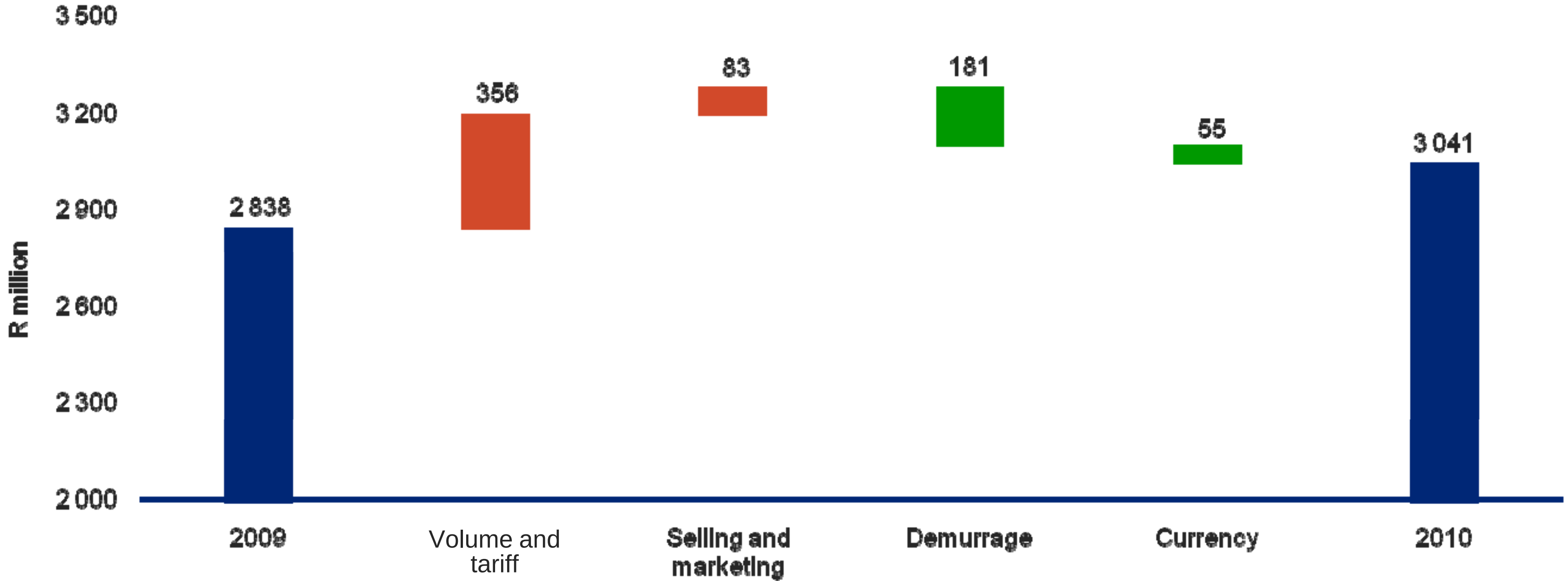
- 5% increase in production volumes to 41.3Mt
- Unit cash cost increased by 15% year on year to R113.69/tonne
- Driven by 24% or 20.0Mt increase in waste mining volumes (R320 million)
- Above inflationary cost escalations in diesel, labour and electricity costs
- Contained by increased efficiencies from asset optimisation



FINANCIAL REVIEW

Selling and distribution costs

- Increase of 7% year on year, driven by:
  - 5% increase in volumes railed on Sishen-Saldanha export channel
  - 6% increase in volumes shipped from Saldanha port
- Five yearly Transnet contract tariff review complete
- Offset by lower demurrage charges and the strengthening of the Rand against the US Dollar

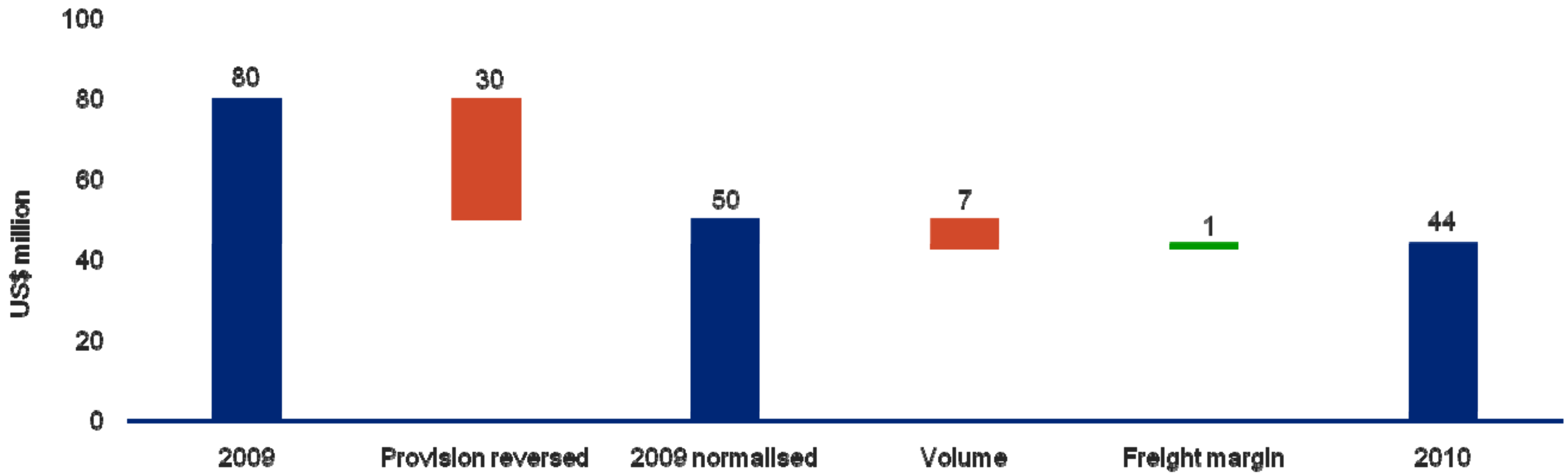


FINANCIAL REVIEW

Shipping arranged by Kumba on behalf of customers, predominantly to China

- 2009 profit of US$80 million included net US$30 million reversal of provision
- Planned decrease in volumes: down 2.8Mt year on year to 18.7Mt as sales volumes to traditional markets returned
- Higher margin of US$2.72/tonne vs US$2.23/tonne in 2009

Operating profit (US$)*



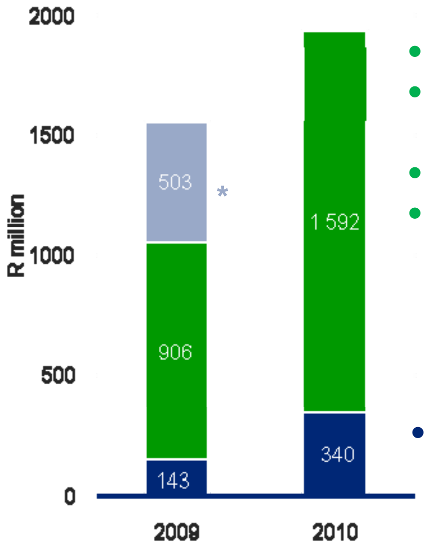
** Analysis provided in US Dollars to eliminate the effect of movements in exchange rates between 2009 and 2010*

FINANCIAL REVIEW

Asset optimisation and procurement benefits

- Asset optimisation delivering benefits: R1.9 billion (US$264 million) contribution to 2010 operating profit
  - R1.6 billion (US$218 million) through revenue enhancement
  - R340 million (US$46 million) through improving operating efficiencies
- Procurement benefits of R687 million (US$94 million) through participation in the Anglo American Supply Chain organisation

Asset optimisation: R1 932m (US$264m)

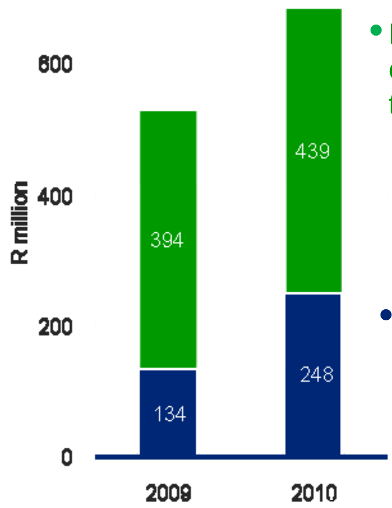


- Niche products delivering premia
- Optimising shutdowns of the DMS plant
- Improvements in the jig plant yield
- Improvements of the DMS plant fine cyclone and up-current classifier

- Improving overall operating efficiencies at Sishen Mine

* Once-off projects in 2009

Procurement: R687m (US$94m)



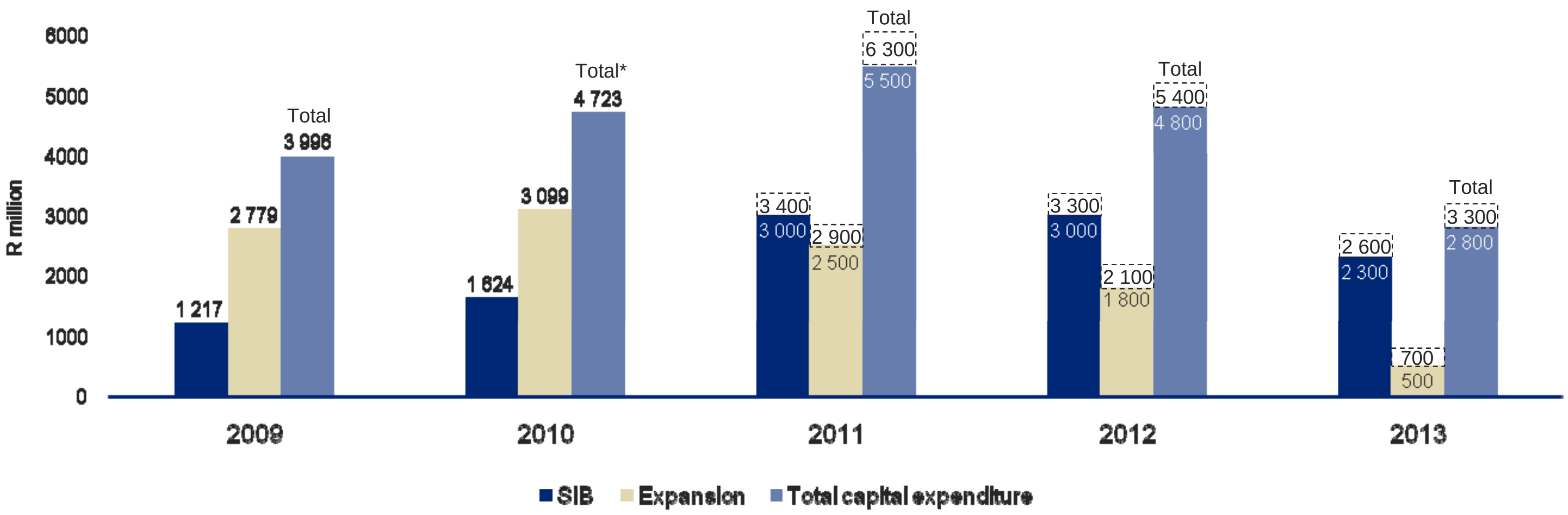
- Reducing total cost of ownership of tyres, fuels, lubes and savings through commercial negotiations

- Various savings on mining equipment and on the Kolomela Project

FINANCIAL REVIEW

Capital expenditure analysis

- 18% increase in capital expenditure to R4.7 billion:
  - Stay in Business (SIB) capex: R1.6 billion
  - Expansion capex: R3.1 billion
- Capex to peak in 2011 as the construction on Kolomela Mine reaches completion
- SIB capex growth going forward due to:
  - Sishen mining fleet replacement of ~R1.3 billion per annum and R1.5 billion on associated infrastructure
  - Sishen Westerly Expansion Project (SWEP) of R1.1 billion commencing in 2011
  - Dingleton Relocation Project anticipated to commence in 2013

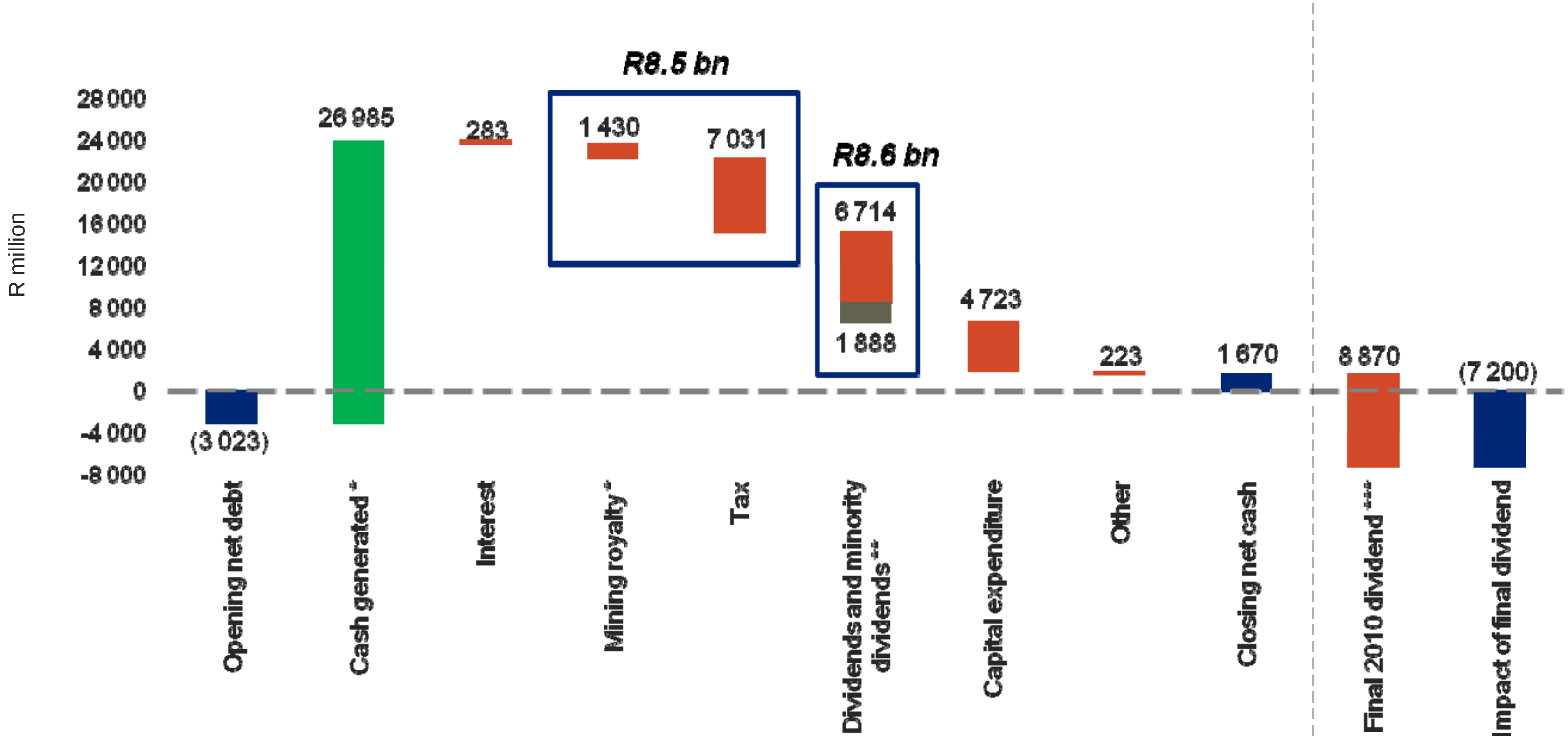


* *Includes R604 million capitalised mining operating expenses – Kumba will cease capitalisation of operating expenses on Kolomela Mine when the mine commences production during the end of 1H12.*

FINANCIAL REVIEW

Cash flow variance: Substantial cash returns to all stakeholders

- 2010 cash generated of R27.0 billion, more than double that of 2009
- R8.6 billion returned to shareholders (including R1.9 billion to BEE shareholders)
- Total cash paid to SA fiscus of R8.5 billion



** Cash generated before mining royalty*

*** Dividends paid in 2010 consist of the final cash dividend for 2009 of R7.40/share and the interim cash dividend for 2010 of R13.50/share.*

**** The final SIOC and Kumba dividends were declared after 31 December 2010 and are included for information purposes only*

FINANCIAL REVIEW

Gearing

- Strong balance sheet – net cash position of R1.7 billion
- Undrawn term facilities of R5.4 billion and uncommitted facilities of R3.9 billion* as at 31 December 2010
- Total term facilities of R8.6 billion:
  - R3.2 billion at 8.65% maturing in 2012
  - R5.4 billion at 7.95% maturing in 2013

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009
Interest-bearing borrowings	3 185	3 914
Cash and cash equivalents	(4 855)	(891)
Net (cash)/debt	(1 670)	3 023
Total equity	18 376	8 956
Interest cover (times)	77	43
Gross debt/equity (%)	17%	44%
Gross debt/market capitalisation (%)	2%	4%

** Inclusive of a R2.5 billion call facility with Anglo American SA Finance Limited*

FINANCIAL REVIEW

SIOC dividend: Realising essential empowerment in SA

- SIOC Community Development Trust redeemed funding in full from SIOC dividends received
- The Trust now holds an unencumbered 3% of SIOC valued at ~R5.1 billion
- 3% increase in non-controlling interest
- Full future dividend cash flows towards community development
- Envision scheme paid ~R12 000 per participant in 2010

Rand million	Total dividend 2010	Final dividend 31 Dec 2010*	Interim dividend 30 Jun 2010	Total dividend 31 Dec 2009
Gross dividend declared by SIOC	15 381	8 928	6 453	6 925
STC	1 399	812	587	630
Dividend declared by SIOC	13 982	8 116	5 866	6 295
– Kumba	10 348	6 007	4 341	4 658
– Exxaro	2 796	1 623	1 173	1 259
– SIOC Community Development Trust	419	243	176	189
– Envision (Employee share ownership scheme)	419	243	176	189

** The final dividend was declared after 31 December 2010 and is presented for information purposes only*

FINANCIAL REVIEW

Kumba dividend: Total dividend for 2010 of R11 billion

- Final cash dividend for 2010 of R21.00 per share, total dividend for 2010 of R34.50 per share
- Dividend cover reviewed, 1.3 times cover implemented

	Total dividend 2010	Final dividend 2010	Interim dividend 2010
Earnings per share (Rand per share)	44.66	24.39	20.27
Dividend per share (Rand per share)	34.50	21.00	13.50
Total dividend declared (Rm)	11 101	6 760	4 341
Dividend cover (times)	1.3	1.2	1.5

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LEGAL UPDATE

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LEGAL UPDATE

Governance and legal

- Private arbitration with AMSA
  - Lapse of contract mining agreement
  - Three arbitrators have been appointed
  - Confidential process underway

- High Court Review against the granting of the prospecting right to ICT
  - DMR's answering affidavits filed on 27 January 2011
  - Tentative court date set for 3Q11

- Mining rights application
  - DMR has rejected SIOC's mining rights application
    - SIOC will appeal to the Minister to have the decision overturned before 24 February 2011
    - SIOC will consider a High Court Review
    - SIOC has applied for urgent interdict to stop DMR awarding mining rights to ICT, pending finalisation of the review

- Stakeholder engagement
  - Kumba remains committed to parallel engagement processes with all stakeholders in seeking solutions for developing the South African iron ore, steel and downstream industries
  - To date Kumba has engaged with the inter-departmental task team, the DTI, parliamentary portfolio committees, the IDC, Treasury and the SA Reserve Bank
  - Until both the arbitration and the court review are finalised, SIOC cannot conclude any long-term agreements or arrangements for the domestic supply of ore in relation to the output from Sishen Mine

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PROJECTS UPDATE

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PROJECTS UPDATE

Kolomela Mine development remains on track and on budget

- Exceptional safety performance at 8.6 million LTI-free hours since last incident in January 2010
- R5.3 billion capital spent to date and forecast to be completed within the R8.5 billion budget
- Project 81% complete and on schedule for production to commence at end of 1H12
- Services commissioning commenced and progressing on schedule

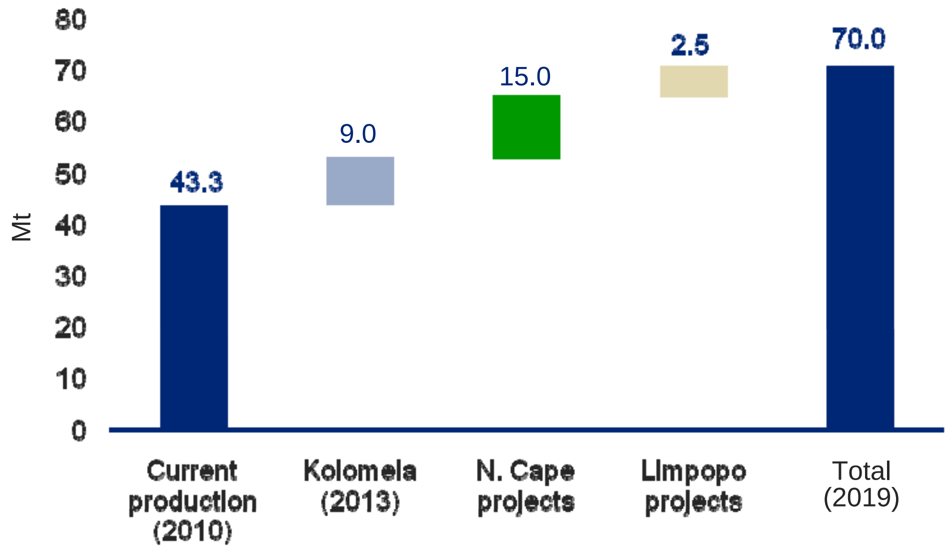


PROJECT PIPELINE OVERVIEW

- Volume growth (expansion projects)
  - Kumba's project pipeline could add the required volume for current production (post Kolomela implementation), to meet the target of 70Mtpa by 2019.
  - **Northern Cape growth**
    - SEP 1B and Sishen concentrates
    - Sishen B-Grade (SEP 2)
    - Kolomela beneficiation
  - **Limpopo growth**
    - Phoenix
    - Zandrivierspoort
- Other major capital projects (SIB) are:
  - **Sishen Westerly Expansion Project (SWEP)**
    - Approved in July 2010
    - Capital cost of R1.1 billion
    - Completion end of 2014
  - **Dingleton Relocation Project**
    - Pre-feasibility study approved in November 2010
    - Capital cost of R1.2 billion
    - Project duration 2013 – 2014
  - **Sishen Truck Fleet Replacement**
    ~R1.3 billion per annum and R1.5 billion for associated infrastructure

- Transnet study
  - Joint Transnet/industry team established to explore potential for further Sishen/Saldanha Iron Ore Export Channel expansion in the Northern Cape
  - Kumba is aligning its growth projects to meet the potential growth expansion
  - Currently in pre-feasibility study and feasibility study planned for completion in 2012

Project pipeline potential



AngloAmerican

KUMBA IRON ORE

2011 OUTLOOK

Real Mining. Real People. Real Difference.

2011 BUSINESS OUTLOOK

- Production and sales
  - Jig plant production ramp up completed in 2010 and production is therefore expected to remain stable during 2011
  - Next phase of production growth as Kolomela Mine comes on line at the end of 1H12
  - Export sales volumes are anticipated to be in line with 2010 levels, with potential super-tariff volumes as an upside
  - Domestic sales volumes remain dependent on the off-take requirements of AMSA

- Markets
  - Seaborne iron ore market remains robust with no major iron ore projects coming on line in 2011
  - No substantial increase in Chinese domestic iron-ore production anticipated
  - Therefore, supply-demand balance expected to remain tight in 2011

- Profitability
  - Export prices anticipated to remain strong and spot price volatility to continue
  - Profit remains sensitive to the R/US$ exchange rate

SUMMARY

- Ongoing efforts to improve safety and achieve zero harm
- The group
  - has continued focus on optimising value of the current operations;
  - has captured further value across the value chain; and
  - is well advanced in delivering on its growth projects through the construction of Kolomela Mine
- An outstanding operational and financial performance delivered with earnings more than double
- Substantial returns to all our shareholders
- Successful execution of our broad-based BEE initiatives realising essential empowerment in SA
- Successful implementation of our employee health and wellness programmes – reaping results
- Focused on transcending targets set in the Mining Charter
- Kumba received external recognition for outstanding performance in various categories during 2010, which included:
  - Best mining company to work for in the Deloitte Best Company to Work For survey and ranked sixth overall
  - Top performing company of the year in the 8th Annual African Access National Business Awards
  - Runner up for the second year in the Sunday Times, Business Times Top 100 companies
  - A Best Performer in the 2010 JSE Social Responsibility Index
  - Ranked fifth in the Ernst & Young Excellence in Sustainability Reporting Awards in 2010

THANK YOU

ANNEXURE 1

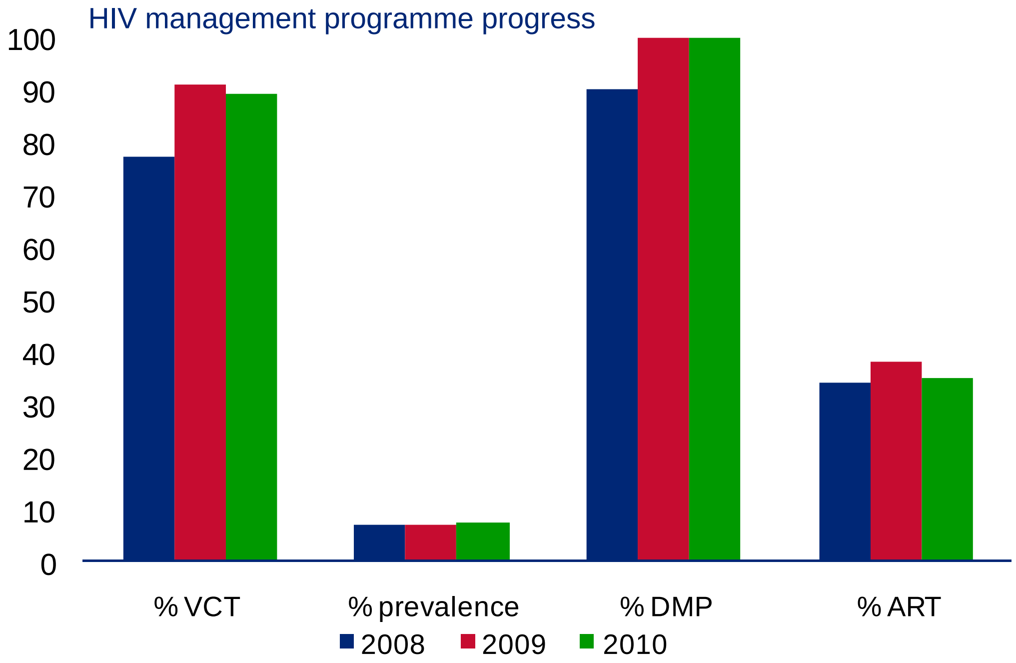
Strategy

Kumba seeks to be a leading iron ore supplier to the global steel industry and our aim is to deliver substantial, sustainable returns to our shareholders through the four pillars of our strategy.

ANNEXURE 2

HEALTH: Progress made on employee health

- Reportable cases of noise-induced hearing loss reduced by 90% through the use of improved hearing protection devices
- 89% voluntary counseling and testing (VCT) achieved
- HIV prevalence rate remained constant at 7% over the past three years
- Successful disease management programme (DMP) in place
  - 100% of HIV positive employees enrolled on wellness programme
  - 100% of employees requiring anti-retroviral treatment (ART) enrolled on the company's ART programme



ANNEXURE 3

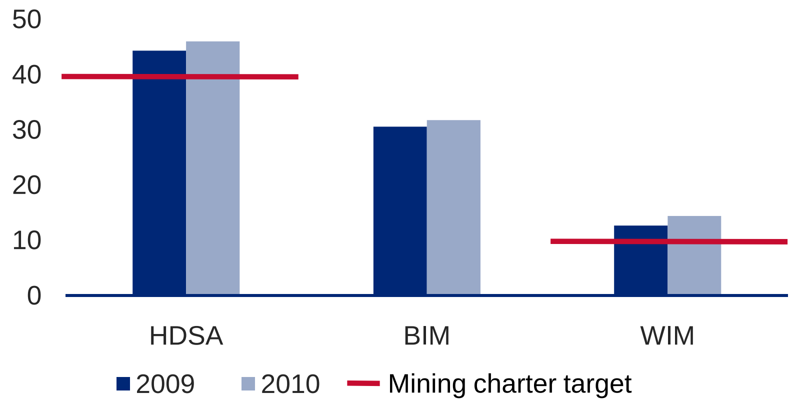
ENVIRONMENTAL commitments and obligations

- **SHE Policy – zero mindset, no repeats, simple non-negotiable standards**
  - Comply with applicable environmental legal obligations
  - Managing impacts and learning from past experiences
  - Progress made in addressing legacy environmental issues specifically historical hydrocarbon pollution
    - More than R25 million has been spent on bioremediation of hydrocarbons, contaminated soil and ground water
- **Licenses / Authorisations**
  - Approved EMPRs as required by DMR at all operations
  - Pro-actively applied for licenses on activities affected by legislative changes
  - All operations received water use licenses
- **Compliance Monitoring**
  - Regular monitoring of potential impacts
  - Regular independent legal compliance audits
  - Regular engagement with authorities/regulators
  - Environmental stakeholder engagement forums at all three operations
  - Ongoing engagements with the farmers and communities affected by dewatering at Sishen Mine
- **ISO 14001 Certification**
  - All mines are ISO 14001 certified, Kolomela Mine external certification scheduled for 2012

ANNEXURE 4

SOCIAL DEVELOPMENT: Exceeds mining charter targets

- Performance against Mining Charter targets
  - 46.8% HDSA in management achieved in 2010
  - Women in mining (WIM) increased to 14.4% (1 046) of total employees in 2010
  - Women in core mining increased to 10.9% (732) in 2010
  - Blacks in management (BIM) increased to 31.8 % in 2010
  - Total skills development spend was 7.4% of the salary bill



- Empowering our people
  - Since 2006, SIOC has paid out just under R5.0 billion in cash dividends to Exxaro Resources Limited, a 20% shareholder in SIOC
  - Aggregate dividends amounting to R163 million paid to more than 5 000 employees participating in the Envision scheme
  - SIOC Community Development Trust fully redeemed its funding of R458 million, five years ahead of the forecasted period
  - 37 new businesses were established which created 360 permanent jobs, generating R29 million in turnover during 2010
  - 340 small and medium enterprises were assisted through Kumba mentorship programme
  - Social spend of R134 million (includes R37 million invested in Kolomela communities)

ANNEXURE 5

Revenue: Sector analyses

	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010*	6 months 30 Jun 2010*	% change
Export (R'm)	32 951	18 657	77%	17 562	15 389	14%
Tonnes sold (Mt)	36.1	34.2	6%	17.3	18.8	(8%)
US Dollar per tonne	125	65	92%	143	108	32%
Rand per tonne	913	546	67%	1 015	819	24%
Domestic (Sishen Mine) (R'm)	2 209	816	171%	1 273	936	36%
Tonnes sold (Mt)	5.0	4.0	25%	2.8	2.2	27%
Rand per tonne	442	204	117%	455	425	7%
Domestic (Thabazimbi Mine) (R'm)	665	543	23%	405	260	56%
Tonnes sold (Mt)	2.0	1.8	13%	1.1	0.9	22%
Rand per tonne	333	302	10%	369	289	28%
Shipping operations (R'm)	2 879	3 392	(15%)	1 240	1 639	(24)%
Total revenue	38 704	23 408	65%	20 480	18 224	12%

** Domestic revenue adjusted in 1H10 for the implementation of the interim pricing agreement with AMSA in 2H10, effective from 1 March 2010*

ANNEXURE 6

Aggregate operating expenditure

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009	% change	6 months 31 Dec 2010	6 months 30 Jun 2010	% change
Cost of goods sold	6 570	5 001	31%	3 488	3 082	13%
Cost of goods produced	6 142	5 169	19%	3 386	2 756	23%
Production costs	6 430	5 329	21%	3 562	2 868	24%
Sishen Mine	5 626	4 553	24%	3 066	2 560	20%
Thabazimbi Mine	743	672	11%	469	274	71%
Other	61	104	(41%)	27	34	(21%)
Inventory movement WIP	(288)	(160)	80%	(176)	(112)	57%
A grade	29	(74)	(139%)	53	(24)	(321%)
B grade	(317)	(86)	269%	(229)	(88)	160%
Inventory movement finished product	(171)	(440)	(61%)	(256)	85	(401%)
Other	599	272	120%	358	241	49%
Mining royalty	1 410	–	100%	864	546	58%
Sublease rentals	(8)	(8)	–	(3)	(5)	(40%)
Selling and distribution	3 041	2 838	7%	1 437	1 604	(10%)
Shipping operations	2 560	2 697	(5%)	1 168	1 392	(16%)
Operating expenses	13 573	10 528	29%	6 954	6 619	5%

ANNEXURE 7

Reconciliation of non-controlling interest

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009	6 months 31 Dec 2010	6 months 30 Jun 2010
Opening balance – as previously stated	1 650	1 647	2 679	1 650
Change in accounting policy – share-based payment classification	–	2	–	–
Opening balance – restated	1 650	1 649	2 679	1 650
Profit for the year	3 966	1 812	2 316	1 650
– Exxaro	3 669	1 745	2 045	1 624
– SIOC Community Development Trust	236	8	232	4
– Envision	61	59	39	22
Dividends paid	(1 834)	(1 770)	(1 186)	(648)
– Exxaro	(1 811)	(1 744)	(1 174)	(637)
– SIOC Community Development Trust	(4)	(8)	–	(4)
– Envision	(61)	(59)	(39)	(22)
– Recoupment of Envision dividend*	42	41	27	15
Interest in movement in equity reserves	256	(41)	229	27
Non-controlling interest – closing balance	4 038	1 650	4 038	2 679

** Minority interest in the recoupment by SIOC of the dividend received by Envision*

ANNEXURE 8

Deconsolidation of the SIOC Community Development SPV (Pty) Ltd (‘the SPV’)

- On 17 August 2010 the SPV redeemed the remaining R38 million of original R458 million preference shares
- Consolidated as part of the Kumba group up to this date
- Control over SPV established in terms of preference share agreement ceased with redemption
- Kumba consequently deconsolidated balance sheet of SPV effective from 17 August 2010 – net effect recognised directly in equity
- Non-controlling interest in SIOC increased by 3%, or R301 million, to 23% going forward

Rand million	12 months 31 Dec 2010
Equity-settled share-based payment reserve	16
Foreign currency translation reserve	11
Cash flow hedge accounting reserve	1
Retained earnings	273
Total increase in non-controlling interest in SIOC	301

Deconsolidation of SPV balance sheet	At 17 Aug 2010
Cash held by the SPV	147
Other payables	(8)
Vesting of IFRS 2 share-based payment reserve	(153)
Reallocated to retained earnings	(14)

ANNEXURE 9

Reconciliation of attributable profit

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009	6 months 31 Dec 2010	6 months 30 Jun 2010
Profit	18 289	8 804	10 131	8 138
Attributable to non-controlling interests	(3 966)	(1 812)	(2 316)	(1 650)
– Exxaro (20%)	(3 669)	(1 745)	(2 045)	(1 624)
– SIOC Community Development Trust	(236)	(8)	(232)	(4)
– SIOC Employee Share Participation Scheme	(61)	(59)	(39)	(22)
Attributable to owners of Kumba	14 323	6 992	7 815	6 488

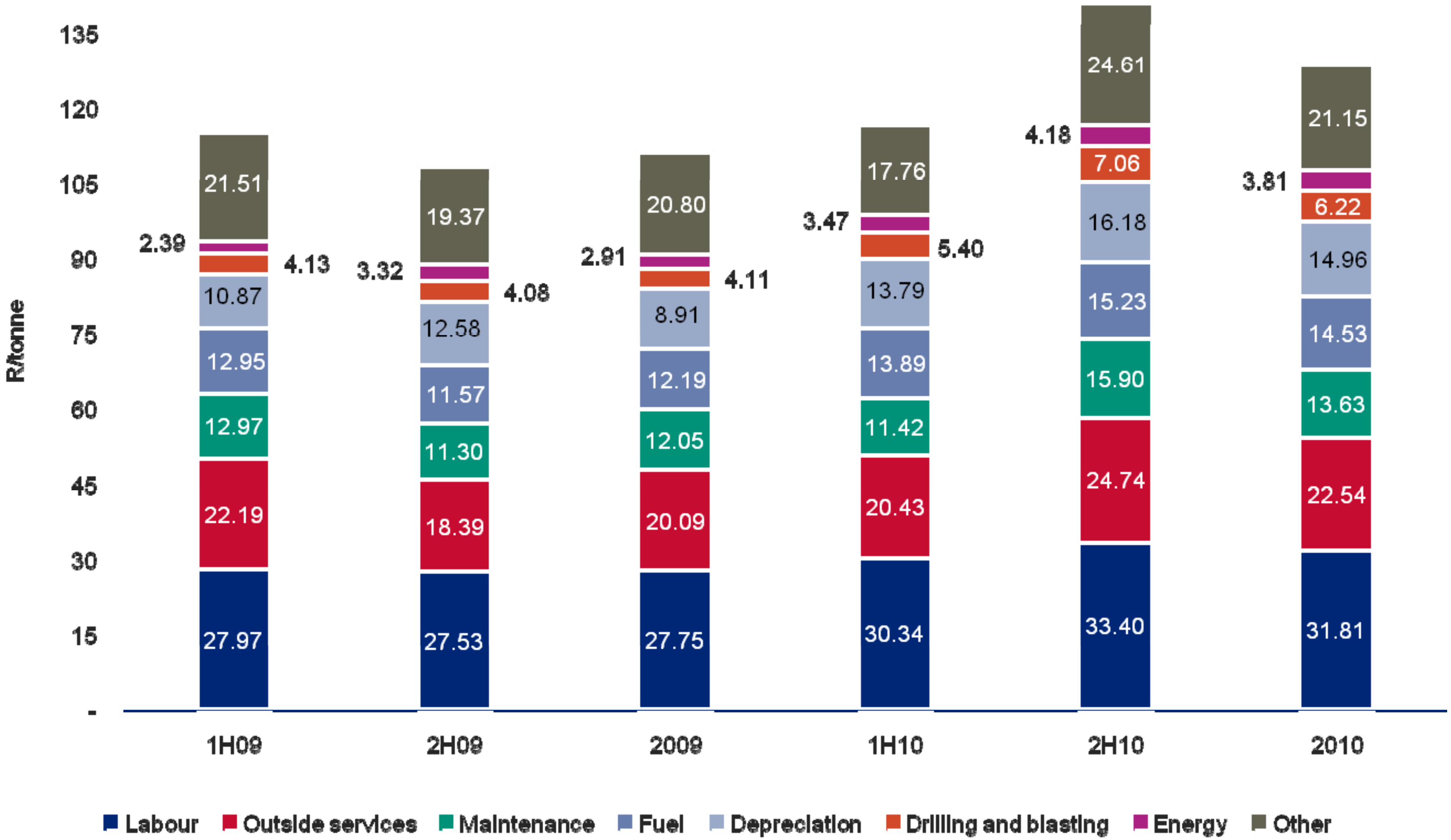
ANNEXURE 10

Headline earnings

Rand million	12 months 31 Dec 2010	12 months 31 Dec 2009	6 months 31 Dec 2010	6 months 30 Jun 2010
Profit attributable to owners of Kumba	14 323	6 992	7 835	6 488
Net loss/(profit) on disposal and scrapping of property, plant and equipment	5	(35)	3	2
Net loss on disposal of investment	2	–	–	2
	14 330	6 957	7 838	6 492
Taxation effect of adjustments	(1)	10	–	(1)
Non-controlling interest in adjustments	(1)	5	(1)	–
Headline earnings	14 328	6 972	7 837	6 491

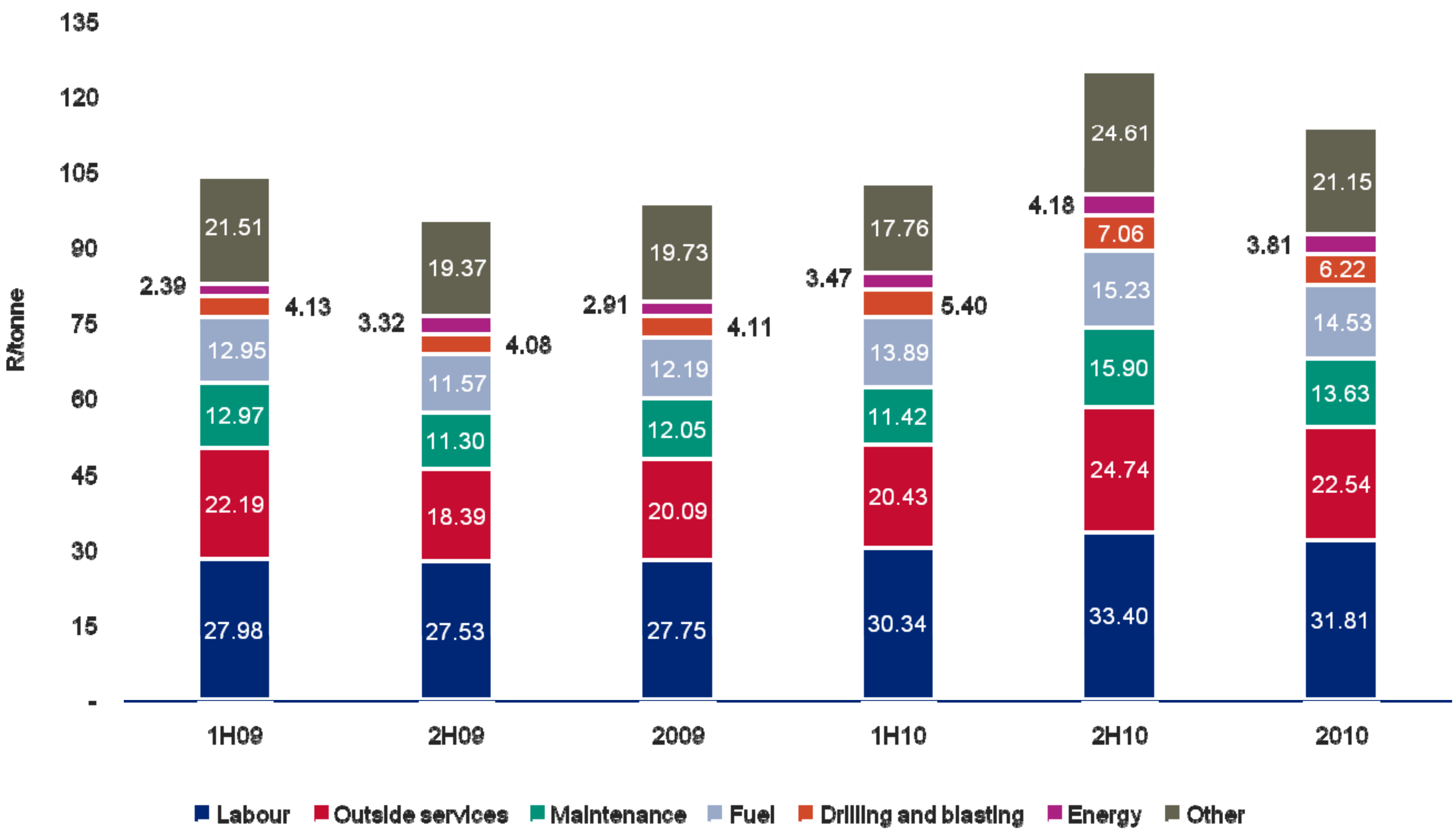
ANNEXURE 11

Sishen Mine total unit cost structure (Rand per tonne)



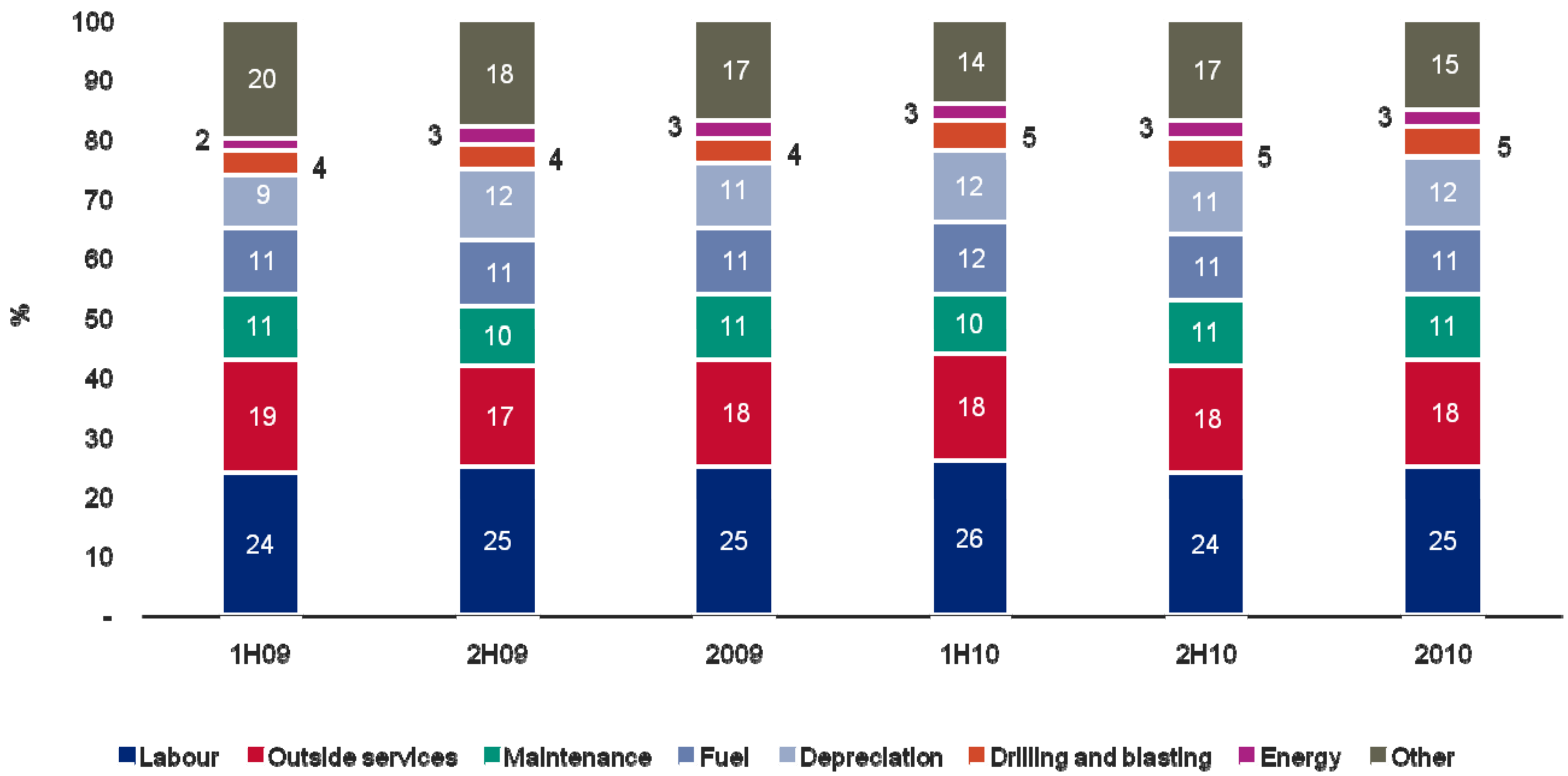
ANNEXURE 12

Sishen Mine unit cash cost structure (Rand per tonne)



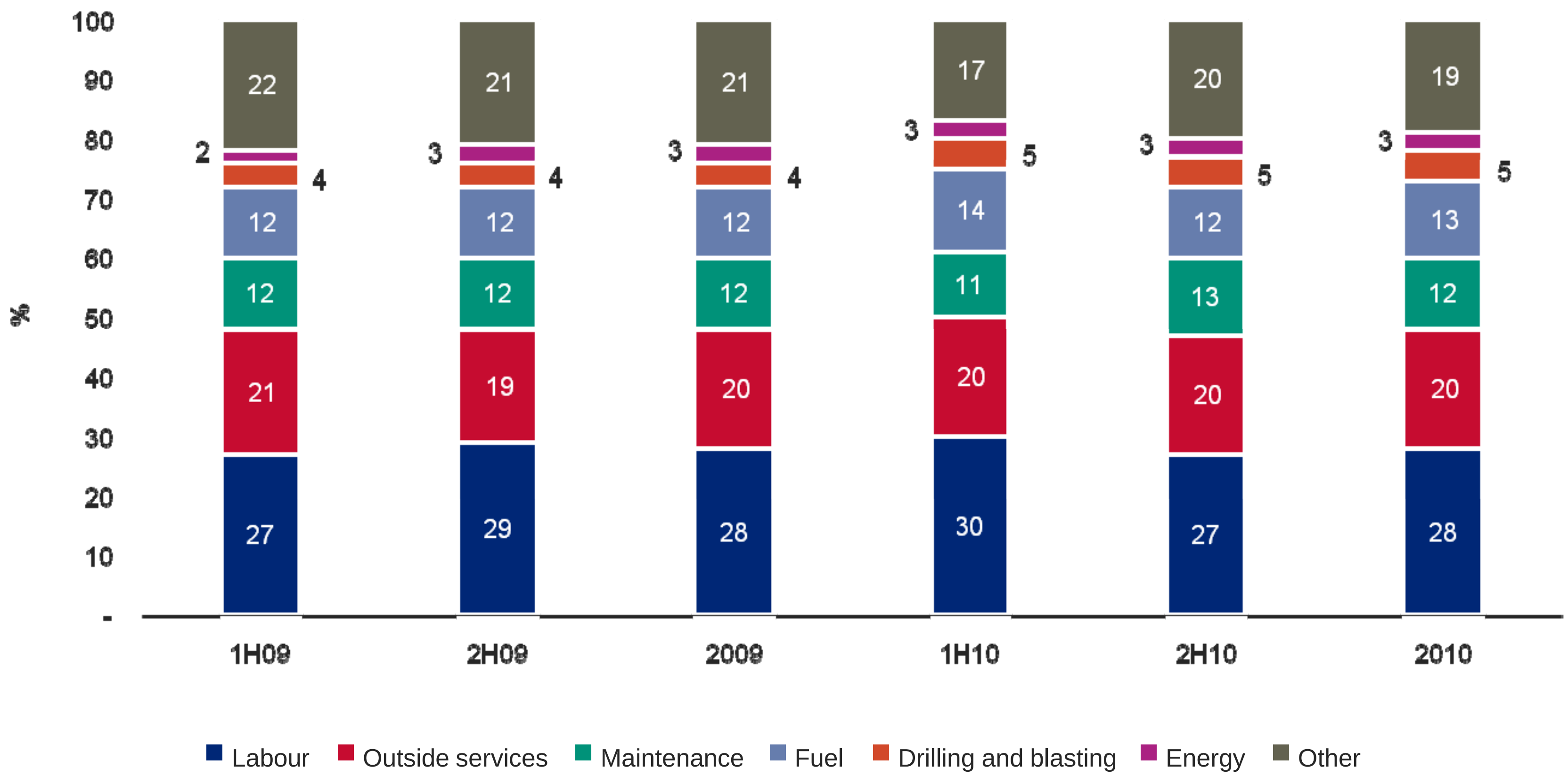
ANNEXURE 13

Sishen Mine total unit cost structure (%)



ANNEXURE 14

Sishen Mine unit cash cost structure (%)



ANNEXURE 15

GROWING THE IRON ORE AND STEEL VALUE CHAIN

Iron ore	1. The iron ore industry can double output in the next ten years, creating ~14,000 new jobs and uplifting Limpopo and the Northern Cape 2. South Africa's Northern Cape and Limpopo reserves can be best developed through three iron ore hubs 3. These exciting growth opportunities will require supporting infrastructure and market based iron ore prices 4. Growth in South African iron ore mining is not viable at discounted prices
Steel industry overview	5. South Africa has 10.5 - 11.9Mt of steelmaking capacity, of which more than 50% is not needed domestically 6. South Africa is unable to export all this excess steel capacity, given its 30-35% higher cost position than competitors and produced only 8.2Mt in 2008 7. There is significant global overcapacity, further amplifying South Africa's export challenge 8. As a result, export volumes have destroyed economic value over the last ten years 9. The iron ore price has a negligible impact on downstream industries 10. South Africa's steel costs could be reduced by a maximum of 10-15% through subsidised input costs, given that most costs are largely incompressible 11. The ex-gate price of steel from steel producers is only 60-70% of the total steel price eventually paid by customers 12. International experience shows that the steel demand price elasticity is 0.2 - 0.3 13. Even aggressive input cost subsidisation/steel price control in South Africa would only create 1-3% of additional downstream steel demand

ANNEXURE 15 (continued)

GROWING THE IRON ORE AND STEEL VALUE CHAIN

Steel industry growth	14. Notwithstanding this analysis, there are two potential steel growth opportunities, both requiring significant Government support and industry research and development a) Kumba is engaged with the IDC to research emerging steel technologies b) An export slab mill would be the best option to build additional steel capacity in South Africa
Impact of State interventions	15. Successful government interventions focus on industries that have a structural competitive advantage 16. The ingredients for robust growth are present in the South African iron ore mining industry, but not in the steel industry 17. Government intervention in the South African iron ore and steel value chain could have unintended negative consequences